

## Message Text

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ACTION EB-08

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TAGS: EIND EAIR ETRD VE  
SUBJ: ECONOMIC DEVELOPMENTS; MARGARITA ISLAND

1. THE RAPID DEVELOPMENT OF MARGARITA ISLAND'S  
FREE TRADE ZONE AND AS A TOURISM CENTER IS TO  
RECEIVE A FURTHER IMPETUS IN THE FORM OF DEVELOP-  
MENT OF INDUSTRIES WHICH WILL MANUFACTURE  
GOODS FOR VENEZUELAN CONSUMPTION AND FOR EXPORT  
TO CARIBBEAN COUNTRIES. PROPOSED INDUSTRIES  
WILL BENEFIT FROM THE ADVANTAGES OF DUTY-FREE  
IMPORT OF RAW MATERIALS AND SEMI-FINISHED GOODS.  
ABOVE INFO WAS REPORTED BY THE PRESIDENT  
OF THE MARGARITA CHAMBER OF COMMERCE AND IMPORT,  
WHO DID NOT SPECIFY DETAILS.

2. THE ISLAND'S COMMERCIAL ACTIVITY HAS REACHED  
SUCH A SCALE THAT VIASA-TRANSCARGA, THE VENEZUELAN  
INTERNATIONAL CARGO CARRIER, NOW HAS A WEEKLY  
CARGO FLIGHT MIAMI-MARGARITA. LATINCARGA,  
ANOTHER VENEZUELAN CARGO CARRIER, UTILIZES  
ITS RECENTLY PURCHASED CV-880 JET CARGO AIRCRAFT  
FOR DAILY FLIGHTS. AIRPORT AUTHORITIES AND  
THE REGIONAL GOVT ARE REQUESTING AN  
ENLARGEMENT OF THE AIRPORT FACILITIES.  
ESPECIALLY THE CARGO HANDING. ALTHOUGH  
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THE AIRPORT WAS INAUGURATED ONLY THREE YEARS  
AGO, ITS CARGO, AS WELL AS ITS PASSENGER HANDLING  
FACILITIES, ARE SHOWING SIGNS OF INSUFFICIENCY.  
MARGARITA AIRPORT'S TRAFFIC VOLUME IS NOW  
SECOND ONLY TO MAIQUETIA, SERVING CARACAS.

3. TOURISM FROM ABROAD, HERETOFORE LIMITED BY THE

SHORTAGE OF HOTEL SPACE WILL ALSO SHOW A STRONG INCREASE THIS YEAR WITH THE COMPLETION OF THREE LARGE HOTELS BELONGING TO INTERNATIONAL CHAINS AND THE CONSTRUCTION OF A NUMBER OF SMALLER HOTELS ALONG THE BEACHES. CONSIDERABLE INTEREST HAS BEEN SHOWN IN THE ISLAND BY FOREIGN CHARTER AIRLINES AND TOUR WHOLESALERS.

4. AN INCREASE IN THE NUMBER OF DUTY-FREE SHOPS FROM THE PRESENT 400 TO OVER 800 IS EXPECTED TO TAKE PLACE DURING THIS YEAR. STATISTICS ON THE IMPORT OF MERCHANDISE TO THE ISLAND ARE NOT AVAILABLE, BUT TRADE SOURCES ESTIMATE A GROWTH RATE OF OVER 100 PERCENT YEARLY. THUS, MARGARITA ISLAND IS RAPIDLY BECOMING AN INTERESTING OUTLET FOR CONSUMER PRODUCTS. LARGEST SELLING ITEMS ARE ALCOHOLIC BEVERAGES, TOBACCO PRODUCTS, COSMETICS AND PERFUMES, CLOTHING, TV SETS, LINEN, PROCELAIN, CRYSTALWARE, CANDY, AND CANNED GOODS. THE GREAT MAJORITY OF THE STORES TRANSACT THEIR PURCHASES WITH VISITING FOREIGN SALESMEN, FROM CATALOG OFFERS, OR BY SENDING THEIR OWN BUYERS ABROAD.

5. SALES ARE FACILITATED BY THE EXCELLENT TRANSPORTATION LINKS WITH THE VENEZUELAN MAINLAND. BOTH DOMESTIC AIRLINES HAVE INITIATED

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SHUTTLE SERVICE. THERE ARE A NUMBER OF FERRY COMPANIES AND GENERAL AVIATION IS ESTIMATED TO TRANSPORT SEVERAL THOUSAND PEOPLE TO THE ISLAND EVERY WEEK-END. THE PURCHASE LIMIT ESTABLISHED BY LAW FOR VENEZUELAN CITIZENS DOES NOT APPEAR TO BE ENFORCED BY CUSTOMS AUTHORITIES ON THE ISLAND.

6. IN VIEW OF ITS SIGNIFICANT GROWTH, MARGARITA ISLAND SHOULD BE TAKEN INTO CONSIDERATION BY US EXPORTERS OF CONSUMER GOODS AS AN IMPORTANT MARKET.

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